

ARTICLE APPEARED  
ON PAGE 28

September/October 1986

COVER STORY

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Back In Control

by Jacqueline Sharkey

How the CIA's secret propaganda campaign controls what we know about Nicaragua.

*The CIA's secret propaganda campaign puts the agency exactly where it wants to be*

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*Edgar Chamorro was only mildly surprised when a CIA official in Honduras, a man known to Chamorro as "George," came to his home at 2 a.m. one night in January 1984 and ordered him to lie.*

During the early 1980s, he and George had often collaborated on "lies," Chamorro said during a recent interview at his Key Biscayne, Fla., home. At the time, Chamorro believed the lies were justified—that they supported a good cause.

For three years, Chamorro was a spokesperson for the Nicaraguan Democratic Force (FDN), a group of rebels organized by the Central Intelligence Agency in 1981 to fight the leftist Sandinista government.

Chamorro said he and his CIA contact frequently had late-night meetings at Chamorro's home in Tegucigalpa, the capital of Honduras and a logistical center for contra operations.

That night, "George" handed Chamorro a press release written in excellent Spanish. Chamorro was amused to read that the contras were supposed to take credit for mining Nicaragua's harbors.

"George told me to rush to our clandestine radio station and read this announcement before the Sandinistas broke the news," Chamorro said. "The truth is that we played no role in the mining of the harbors. But we did as instructed." The release was broadcast about 6 a.m. on January 5, 1984.

In fact, Chamorro said, the operation had been carried out by CIA commandos.

In a World Court deposition 20 months later in Nicaragua's case against U.S. support for the contras, Chamorro, who was relieved of his FDN duties after protesting human rights abuses and the CIA's use of an assassination manual to train the rebels, said the lie about the mining of the harbors was only one in a series.

The CIA had a contra group take credit for bombing the airport in the Nicaraguan capital of Managua on September 8, 1983, according to Chamorro. This operation could have killed two U.S. senators—Gary Hart (D-Colo.) and William Cohen (R-Maine).

Cohen and Hart were en route to Managua for meetings with Sandinista officials when a Cessna began dropping bombs on the city's airport. Sandinista gunners shot down the plane, which crashed into the control tower, destroying the area where Hart and Cohen were scheduled to meet with reporters. The senators learned later that the plane used in the attack belonged to a U.S. aviation company with CIA ties.

Other actions the CIA carried out and asked the FDN to take credit for included the destruction of Nicaraguan oil pipelines, storage tanks, and communications and military facilities, according to the ex-contra, who continues to oppose the Sandinistas' policies. After each of these operations, "We were instructed by the CIA to publicly claim responsibility in order to cover the CIA's involvement, and we did," Chamorro said.

These fake press releases have far-reaching implications. There are indications that the releases are part of an extensive media campaign orchestrated by the CIA both in the United States and in Central America. The goal of the campaign is simple: to win public and congressional support for the contras' cause.

According to Chamorro and other former contras, the CIA has not only hand-delivered fake press releases to contra leaders but also has supervised U.S. press conferences, told the contras to lie about their goals to allay congressional concerns

about the Nicaraguan conflict, coached the rebels on lobbying techniques, provided them with profiles of Members of Congress, and paid the expenses of rebel leaders who traveled to Washington and to Members' home districts to push for U.S. aid.

"I attended meetings at which CIA officials told us that we could change the votes of many Members of the Congress if we knew how to 'sell' our case and place them in a position of 'looking soft on communism,'" Chamorro stated in his World Court deposition. "They told us exactly what to say and which Members of the Congress to say it to. They also instructed us to contact certain prominent individuals in the home districts of various Members of Congress as a means of bringing pressure on these Members to change their votes."

If such allegations are true, the CIA is violating U.S. law, which bars the agency from engaging in domestic operations designed to influence political opinion, public policy or congressional decisions.

Agency spokesperson Kathy Pherson said in a recent interview, "The CIA, as an intelligence organization, does not confirm or deny allegations of intelligence activities. On the specific subject of Central America, we can say that we comply with congressional restrictions."

During the past several years, Congress has been deeply divided about whether to give military and nonmilitary support to the contras, and about what the CIA's role should be regarding rebel activities. The Reagan administration has argued forcefully that the contras are freedom fighters who desperately need U.S. arms, supplies and logistical support. But administration critics charge that the contras are a CIA creation that has little support within Nicaragua and would collapse without U.S. funds and leadership.

A controversial Senate vote in August, just before Congress recessed, indicates the campaign to portray the contras as "freedom fighters" and their opponents as being "soft on communism" has been very

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effective. In August the Senate approved a \$100 million military and nonmilitary aid package for the contras. The House had approved a similar measure in June.

Sen. Patrick Leahy (D-Vt.), vice chairman of the Senate Select Committee on Intelligence, proposed that the CIA or any government intelligence agency be barred from administering any of the funds allotted in the bill, but that measure was defeated, 57 to 42. The only specific congressional restriction the aid package contains regarding CIA involvement with the contras' military and paramilitary opera-



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tions is that U.S. military advisers cannot go within a 20-mile radius of the Nicaraguan border.

It puts the CIA exactly where it wants to be—back in control.

Some critics were deeply disturbed by the vote, saying it takes the United States down the road toward another Vietnam. Sen. Jim Sasser (D-Tenn.), for example, described the decision as "a watershed in American foreign policy."

"People understand," he said, "that we're not simply talking about \$100 million for the funding of a military operation in a distant land. We are talking about the first step toward war."

Another factor that concerned administration critics was that the vote came despite a recent decision by the World Court, the principal judicial body of the United Nations, that the United States'

support of the contras and military operations inside Nicaragua violated international law.

The vote was a complete reversal of Congress' position in mid-1984, when the House and Senate refused to extend funding for the contra program. Several factors contributed to Congress' about-face, according to congressional aides. They say some Members felt frustrated by the lack of progress in negotiations and by the Sandinistas' refusal to restore full civil liberties. Others voted for the aid package because they feared a communist threat in Central America, or because they were afraid that their constituents would consider them soft on communism if they did not. What concerns administration critics is that these very attitudes may have been shaped by an agency public relations effort.

CIA spokesperson Pherson denied that the agency was trying to influence congressional opinion or policies. "It's not the agency's job to be influencing U.S. opinion," she said. "It's our job to collect information abroad that will help policy makers make foreign policy decisions."

However, Chamorro, other former contras, former CIA personnel and congressional staffers believe the agency is engaged in a concerted PR campaign in the United States. They say the agency is also involved in a major campaign in Central America. Although there is no law against the CIA conducting propaganda campaigns abroad, congressional staff and former CIA personnel point out that this type of operation also affects U.S. opinion. They say information planted by the CIA in foreign news media is picked up by American journalists and State Department officials and reported as fact.

The campaign in Central America allegedly is centered in Costa Rica and Honduras and is designed to persuade the people and governments in those countries to rally behind the contras' efforts to overthrow the Sandinista government. Public support in those countries is crucial because they border Nicaragua. The contras and the CIA have set up military and logistical bases in both Costa Rica and Honduras, despite the fears of some officials in those governments that these activities will further embroil their nations—which are democracies and officially neutral—in the Central American conflict.

The CIA's media campaign in Central America allegedly includes funding a contra newspaper supplement distributed in major Latin American newspapers, financing contra radio stations, and paying Costa Rican and Honduran journalists to print false and misleading stories designed to inflame public opinion against the Sandinista government.

Allegations about the CIA's public relations efforts have arisen against a backdrop of intense debate in Washington, where the administration has not only battled Congress on behalf of the contras but has also criticized the House and Senate intelligence committees, which are responsible for overseeing CIA activities. Some Members of Congress believe that President Reagan, CIA Director William Casey and national security advisers in the White House want to change the oversight process because they believe the committees are not supportive enough of administration policies and covert operations such as the contra program.

Meanwhile, leaders of the House and Senate intelligence committees have recently raised questions about the Reagan administration's extensive use of covert operations and Congress' ability to control them. The contra program and other covert operations such as those in Angola and Afghanistan are "not subject to approval or even scrutiny by the whole Congress" and illustrate "the tensions between covert operations and the principles of open, democratic government," Rep. Lee Hamilton, chairman of the House Select Committee on Intelligence and ranking Democrat on the Committee on Foreign Affairs, said recently.

House and Senate approval of the rebel aid package, which would put the CIA firmly in control of the contra program again, came after months of intense lobbying by the administration. Private conservative groups joined in, spending hundreds of thousands of dollars on radio and TV advertising in the districts of representatives who were wavering on the contra issue. The ads—some of which reportedly were previewed by a State Department official—suggested that legislators voting against contra aid were not standing up to the spread of communism and international terrorism in the hemisphere.

In addition, private groups—including some working informally with the State Department's Office of Public Diplomacy for Latin America and the Caribbean—organized speaking engagements around the country for contra leaders.

Congressional staffers say this type of campaign, involving White House officials, the State Department and private organizations—possibly bolstered by the CIA's own secret PR campaign—is highly unusual.

Adding to their concerns is the fact that one of the private groups involved in the lobbying was founded last year by Max Hugel, former CIA deputy director for operations and a friend of CIA Director Casey. Hugel was also a senior adviser on Reagan's 1984 reelection campaign. Hugel's group, Project 88: Americans for the

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more than a dozen Members' districts. (In August the group started a drive to repeal the 22nd Amendment, which limits a president to two terms.)

Hugel's interest in shaping American opinion was evident last year when he spearheaded an attempt to purchase United Press International (UPI), one of the world's largest news organizations. The bid failed.

The CIA's alleged activities in the United States and Central America raise a number of serious legal and ethical questions, including:

- To what extent is the CIA influencing U.S. foreign policy by secretly lobbying Congress?

- To what extent is the CIA planting distorted or false information in the U.S. and foreign media?

- Does Congress have the power and the will to oversee the CIA, which is under the direct control of the president?

- Are the CIA's activities undermining the neutrality and the democratic governments of Costa Rica and Honduras?

Some of the techniques the agency allegedly is using in the United States appear to be alluded to in a foreign agent's registration statement filed with the Justice Department in September 1985 by FDN Washington spokesperson Bosco Matamoras. (Persons lobbying for a foreign government or organization are required to file a disclosure statement with the Justice Department every six months.)

In his statement, Matamoras said that as an FDN spokesperson he "promotes the purposes, positions and goals of the FDN" and "through the media and otherwise, will endeavor to marshal growing American awareness of and support for the objectives of the FDN."

He indicated he had done this by preparing and disseminating political propaganda to public officials, the media, and civic and educational groups. He also indicated that he did this through radio and TV broadcasts, magazine and newspaper articles, advertising campaigns, press releases and speeches.

Matamoras stated on the form that he has been doing this work since June 1981—before the FDN was officially formed and before congressional oversight committees were briefed on the CIA's contra operation. Furthermore, if CIA funds have supported Matamoras' lobbying and propaganda activities, the CIA has violated the prohibition against agency sponsorship of activities designed to influence U.S. political opinion.

Matamoras' Justice Department registration form raises questions about statements he made to the General Account-



A number of former CIA officials believe the agency is running an intense propaganda campaign in Costa Rica, which lies on Nicaragua's southern border, to win public support for the contras' efforts to overthrow the Sandinistas.

Carlos Morales, director of Semanario Universidad, one of Costa Rica's most outspoken newspapers, says he knows journalists who are paid by the CIA to write false and misleading stories about the contras.

La Nacion, one of Costa Rica's most influential newspapers, carries a weekly supplement produced by the contras in San Jose.



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PHOTO BY JACQUELINE SHARPLEY



*La Republica is one of three Costa Rican newspapers identified by communications researchers as biased in favor of the contras. Critics say the Costa Rican press is a target of CIA efforts.*

ing Office (GAO), the investigative arm of Congress, which tried to look into allegations about CIA lobbying last year. The GAO report, issued in December 1985, stated, "Mr. Matamoros said he has developed contacts with Members of Congress who have expressed interest in Nicaragua. He said, however, he is not engaged in any lobbying activities."

Matamoros could not be reached for comment. The GAO report states that Matamoros told investigators that the money for his activities had come from private sources.

Edgar Chamorro, among others, is not convinced. "It was CIA money until 1984," he said. "There were some very small donations from rich men—but not enough for all these projects."

During a recent interview at his Florida home, Chamorro provided additional information about contra operations that supplemented his September 1985 World Court deposition.

Chamorro, 55, is a soft-spoken man who earned his master's degree in education at Harvard in 1972. He lives in an airy house just outside Miami—which he jokes is the only city the contras control. Since FDN leaders relieved him of his duties in 1984, Chamorro has spent his time writing and lecturing about what he calls the "tragic mistake" that the United States is making in continuing to support

the rebels. At the same time, Chamorro says he still opposes the Sandinistas' policies.

Chamorro reluctantly left his native Nicaragua to move to Miami with his wife and two children in 1979. In Managua, he had served as a dean at the Jesuit-affiliated University of Central America and later had developed a career in advertising and public relations. But he was concerned about his family's safety during the civil war then raging between the Sandinistas and dictator Anastasio Somoza.

He hoped to return after the Sandinistas took power later that year. But he was disappointed in the regime's policies and ultimately, in 1981, he joined the FDN because he believed the group represented the best chance for achieving democratic reform in Nicaragua.

When Chamorro talked about conducting his public relations work for the contras, he made it clear he was talking about a hidden war for the hearts and minds of the U.S. public and its leaders. He called it a war that "reveals the dark side of America."

It began in 1981, when the CIA organized the contras, Chamorro said. From the first, the agency made it clear that its personnel were going to supervise a PR campaign whose primary purpose was "to maintain the support of the Congress for the CIA's activities," he said.

Chamorro was based in Miami, where he "did political propaganda work, wrote letters, organized rallies, set up committees in various parts of the United States and generally worked at building support for our cause within the United States"—all under CIA direction, he stated in his World Court deposition.

The CIA supervised press releases and

press conferences "to ensure maximum favorable publicity," and even wrote the FDN's statement of principles, he said.

Agency officials also told contra leaders to lie about the FDN's goals, Chamorro stated in his deposition. When the CIA formed the FDN, "the CIA agents we worked with spoke openly and confidently about replacing the government in Managua." But after Congress prohibited the agency from using funds for this purpose in 1983, "The CIA instructed us that, if asked, we should say that our objective was to interdict arms supposedly being smuggled from Nicaragua to El Salvador. . . . The public statements by United States government officials about the arms flow, we were told by the CIA agents with whom we worked, were necessary to maintain the support of the Congress and should not be taken seriously by us."

The agency also coached contra leaders about how to lobby Congress, Chamorro stated in the deposition. This effort was stepped up in 1984, after Congress voted to cut funding for the contra operation, he added.

"Our CIA colleagues enlisted us in an effort to lobby the Congress to resume these appropriations," Chamorro said. He declined to name the targeted Members, saying it might raise unfounded questions about their integrity.

Some CIA personnel also continued to give the contras military advice and training after the 1984 congressional ban on CIA assistance for rebel military or paramilitary operations, Chamorro said. "They just stayed and kept on working with the FDN. They simply never stopped."

Chamorro said that after working in Miami for several years, he was instructed by CIA personnel to relocate to Tegucigalpa, the capital of Honduras, to run the contras' public relations effort there. The CIA and the contras had set up base camps and logistics centers in Honduras, which lies on Nicaragua's northern border. In addition, the Pentagon was building airfields, radar sites and base camps in the area in conjunction with a series of military exercises. The Pentagon allowed the CIA and the contras to use many of these facilities, according to congressional staffers who work on Central American issues.

"The CIA station in Tegucigalpa, which at that time included about 20 agents working directly with the FDN, gave me money, in cash, to hire several writers, reporters and technicians to prepare a monthly bulletin called *Comandos*, to run a clandestine radio station and to write press releases," he stated in his World Court deposition.

"I was also given money by the CIA to rent a house, office space and automo-

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*"People understand," said Sen. Jim Sasser, "that we're not simply talking about \$100 million for the funding of a military operation in a distant land. We are talking about the first step toward war."*

biles, and to obtain office supplies and communications equipment. I also received money from the CIA to bribe Honduran journalists and broadcasters to speak favorably about the FDN and to attack the government of Nicaragua and call for its overthrow. Approximately 15 Honduran journalists and broadcasters were on the CIA's payroll, and our influence was thereby extended to every major Honduran newspaper and radio and television station," Chamorro said in the deposition.

He added that agency personnel told him a similar media campaign was under way in Costa Rica.

In a recent interview, CIA spokesperson Pherson said, "The CIA has not responded publicly to any of Mr. Chamorro's other claims and will not begin now."

Chamorro said the agency looks at its

public relations effort in Central America "as a marketing experiment. . . . How can we get [the people of Costa Rica and Honduras] to say, 'We need the freedom fighters to fight the Sandinistas'?"

A recent trip to Costa Rica suggested several reasons why such an effort might prove worthwhile.

Costa Rica, the most prosperous Central American country, has no armed forces and proclaimed neutrality in the regional conflict in 1983. Public opinion polls in the early 1980s showed that Costa Ricans overwhelmingly supported this position.

Furthermore, while Reagan administration officials continually refer to Costa Rica as "the showcase of democracy in Central America," the administration has been willing in the past to use economic and political pressure to force the Costa Rican government to go along with U.S. policy.

Weeks of interviews in San Jose, Costa Rica's capital, turned up strong indications that the administration is using the Costa Rican media to create support for the rebels. Although Ambassador Lewis Tams vigorously denied that the CIA is running a concerted media campaign in the country, there are indications the agency is involved in both print and broadcast media.

It appears that the CIA's most ambitious effort is *Nicaragua Hoy* (*Nicaragua Today*), a four-page newspaper supplement produced in San Jose and distributed to 624,000 readers through major newspapers in seven Latin American countries.

The supplement, whose logo is a drawing of Nicaragua surrounded by barbed wire, states that its objective is to "publish information and articles of opinion about the Nicaraguan reality to try to compensate for the well-orchestrated disinformation campaign of the Sandinista government."

What the newspaper doesn't tell readers is that it is produced in San Jose by a public relations official for the FDN, Pedro Joaquin Chamorro (a distant cousin of Edgar Chamorro). The walls of Chamorro's room at contra offices in the Costa Rican capital are covered with FDN logos and "The 10 Commandments of Public Relations" in Spanish.

In an interview, Pedro Joaquin Chamorro refused to answer questions about how *Nicaragua Hoy*, which carries no advertising, is financed. "I can't say anything about that," he said.

But several former contras said the newspaper gets its money from the agency. "Everyone knows the CIA funds it," said a spokesperson for former contra leader Eden Pastora, who left the rebels in May because he believed the CIA had too much control over the movement.

"We carry the truth about Nicaragua—anyone who has something truthful to say can get their story published," Pedro Joaquin Chamorro said. But despite his insistence that his paper is not a propaganda operation, it is interesting to note that Chamorro serves as the secretary of information for the United Nicaraguan Opposition, an umbrella group of contra organizations that is controlled by FDN personnel. Recent issues have carried news items such as pictures of a graduation ceremony of an FDN military unit that had just finished its training.

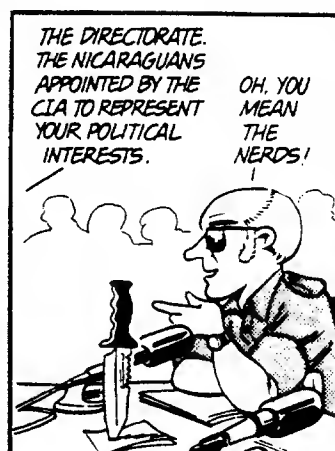
Former contras and Costa Rican journalists said another major CIA project has involved the purchase of a San Jose radio station.

Edgar Chamorro said the CIA gave a Venezuelan group sympathetic to the contras enough money to purchase Radio Impacto, one of Costa Rica's most powerful stations.

Carlos Morales, a University of Costa Rica journalism professor who runs *Semanario Universidad*, one of the coun-

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try's most outspoken newspapers, said he believes that the CIA financed the purchase because it wanted an outlet for pro-contras programming, and because Radio Impacto's signal can reach Nicaragua, which increases its propaganda value.

A number of Costa Rican journalists and policy analysts interviewed for this story said the radio station consistently slants the news. "The contras are portrayed as saints, and the Sandinistas as an evil threat to the hemisphere," said Fred Morris, director of the Institute for Central American Studies in San Jose, which publishes a newsletter on Central American affairs.

In July, Radio Impacto denounced June Erlick, a U.S. journalist based in Mana-

gua who has written for various publications, including *Time*. Impacto called Erlick a "piricuaca," a derogatory term for Sandinistas that literally means "rabid dog," and claimed she was being paid by the Nicaraguan government.

The attack prompted Erlick—who in fact has written numerous articles critical of the Sandinistas—to write an open letter to Radio Impacto defending her journalistic integrity.

In an interview at her home in Managua, Erlick said, "The whole episode was very intimidating. It wouldn't have been so bad if they had presented legitimate criticism of a specific story I had written—that's fair. But they didn't do that. It was just a personal attack. It upset me for days."

The director of Radio Impacto did not respond to requests for an interview.

Meanwhile, the CIA is paying journalists to slant the news, according to journalism professor Morales and others interviewed in Costa Rica. They said reporters and editors on the agency payroll write false or misleading stories about contra successes, delete stories about human rights abuses and other problems among the contras, and create or distort stories about Sandinista repression and ties to international terrorism.

"I know some journalists who, because they're hungry, work for the agency," Morales said. "They do it because they aren't aware of the impact their stories have, and because they need the money."

CIA spokesperson Pherson said she could not comment about allegations regarding agency operations in Costa Rica because the agency does not confirm or deny allegations of intelligence activities.

Allegations about media bias regarding the contras and the Sandinistas gained credibility from a study of three major newspapers done by two San Jose journalists with master's degrees in communica-

tions. Isabel Ovaras, who works for Agence France Presse, and Patricia Leon, who works for Inter Press Service, did a content analysis of the papers over a three-month period in 1983 and published their findings in *Social Science*, a Costa Rican academic journal.

The three papers were "neither impartial nor objective" about the contras and the Sandinistas, the journalists wrote. The report stated that the newspapers used "partial versions of events, omitted information and falsified information."

The papers also published photographs of contras praying and referred to their military operations as battles "in a holy war," the report said. The contras are presented "almost like Crusaders" fighting to save Christianity from the communists, it continued.

Linking the contras' cause with religion is a major theme in the CIA's propaganda campaign, Edgar Chamorro said. "The agency knows what a tremendous influence the [Catholic] Church is in Central America, and they told us to emphasize religious themes. We were to make the contra war look like the Crusades—an effort to stop the Sandinistas' 'evil, godless empire.'"

Photographs and headlines are also distorted to link the Sandinistas to international terrorism, the report stated. It cited as an example a headline in the newspaper *La Prensa Libre*, which said, "Nicaraguan boat transports materials of terrorism." A large picture below the headline showed two Costa Rican patrol boats escorting a ship that the newspaper said was transporting material "of the type generally used in terrorist activities and sabotage." It turned out that the vessel, which was sailing under a Panamanian flag, was carrying explosives to geologic institutes in several Latin American countries. Nicaragua was one of its ports of call, the report said.

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"But the headline and photo had a real effect," said Ovaras, one of the authors of the study. "People thought, 'Well, the Nicaraguan government really is exporting terrorism.'"

Repeated efforts to interview editors of newspapers that were studied were not successful.

Costa Rican sources pointed out that the alleged CIA campaign to portray the Nicaraguan government as a threat to the hemisphere dovetails with the views of many Costa Rican newspaper owners. Many owners are wealthy conservatives who support Reagan administration policies toward Central America, they said.

"The CIA wouldn't have to pay the owners or editors of most of the media here," said Juan Jose Echeverria, a lawyer who is a former minister of public security and member of the Costa Rican legislature. "All the CIA has to do is call them up and tell them what they want done."

Several Costa Rican journalists said they believed the campaign has seriously harmed freedom of the press. They said reporters or editors who are not sufficiently pro-contra are labeled "subversives" or "communists" and may be forced out of their jobs.

The anti-Nicaragua campaign has meant "the death of political tolerance" in Costa Rica, said Jose Melendez, a former radio reporter in San Jose who is now a correspondent for the Mexico City newspaper *Excelsior*. "It is one of the saddest things that has happened here. The seeds of hatred have been planted, and the fruits will last 100 years."

The effects of the alleged U.S. media campaign in Costa Rica are further evidence that CIA propaganda campaigns usually are counterproductive, according to former CIA personnel and administration critics.

"I don't believe we get enough profit out of it, and we just get a name for inter-

vening in foreign countries," says Harry Rositzke, former head of the agency's Soviet Operations Division, who calls such efforts "shortsighted."

He and other critics say Chile provides an apt example of a counterproductive campaign.

In the early 1970s, the CIA spent millions of dollars undermining President Salvador Allende, whom the United States regarded as a leftist threat to the hemisphere. This operation—documented in the mid-'70s by a Senate panel chaired by former Idaho Democrat Frank Church—included efforts to destabilize the country's economy and involved payments to Allende's political opponents.

The mainspring of the effort was the agency's media campaign. The CIA subsidized news services, provided money for a TV station, paid journalists to plant false and distorted stories about the government in national and international media, and poured \$1.5 million into *El Mercurio*, one of the nation's most influential newspapers, according to the Church Committee report.

In 1973 Allende was overthrown and, in Rositzke's words, "a repressive and murderous military junta enjoying American support" took power. Chile, which until that time had one of the longest democratic traditions in Latin America, is still under military dictatorship.

From the point of view of former CIA official Ralph McGehee, "What the agency has done is irrevocably taint the Latin American press. Genuine opposition newspapers and broadcast stations have lost credibility—not just with governments, but with their own people—as a result of these agency media campaigns. The CIA has made it impossible for Latin Americans to tell whether media criticism is legitimate, or the product of the agency."

This is exactly what appears to be hap-

pening now in Nicaragua, where the Sandinista government closed *La Prensa*, the country's only opposition newspaper, the day after the House approved the \$100 million contra aid package in June. Sandinista officials said the newspaper was being closed because it was getting U.S. funds to work with the CIA to promote support for the contras' efforts to overthrow the Nicaraguan government. *La Prensa* editors denied the charges, and the newspaper's closure sparked a worldwide debate.

It is interesting that Managua has become the focus of an international debate about press freedom.

The city has two monuments to journalists—one of whom is a national hero—erected by the Sandinistas after the revolution.

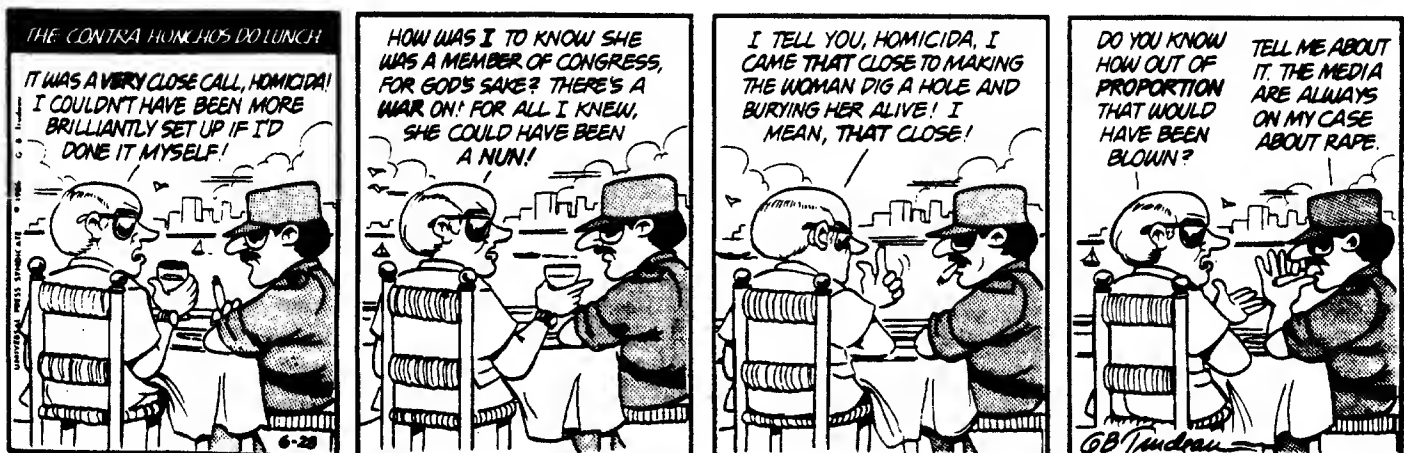
The first is an amphitheater in honor of Pedro Joaquin Chamorro, a former *La Prensa* editor (and father of FDN spokesperson Pedro Joaquin Chamorro, of *Nicaragua Hoy*, who once worked for *La Prensa*). The elder Chamorro was one of dictator Anastasio Somoza's most outspoken opponents and was shot down in the street in 1978. His death gave enormous impetus to the Sandinistas' fight against Somoza.

The other monument is a small park in a poor section of Managua. It was built in honor of Bill Stewart, an ABC-TV reporter who was shot to death in 1979 by Somoza's National Guard while covering the revolution. Stewart was the first foreign reporter killed in the conflict, and his death helped turn U.S. public opinion against Somoza. The park was built across the street from where Stewart died, and a simple plaque there reads: "Bill Stewart—He did not die in a strange land. We will always remember him, because he is part of free Nicaragua."

Many visitors to Managua find it ironic that a city whose appearance is so unpre-

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*"We carry the truth about Nicaragua," says the supervisor of Nicaragua Hoy, a widely distributed news supplement. Few realize, however, that it is produced by a public relations official for the contras.*

possessing is the focal point of regional U.S. military and foreign policy. Managua has changed little since 1972, when it was leveled by an earthquake. The main streets are still lined with decaying hulks of buildings. The roof of Managua's cathedral, which was destroyed by the quake, has never been replaced. A carpet of grass leads up the main aisle to the altar.

Few pedestrians walk downtown. Taxis—most dating from the '50s and '60s—wheeze and rattle down the streets, in sharp contrast to Costa Rica, where throngs of people crowd San Jose's sidewalks and many taxis are new Volvos. The brightest spots in Managua are the murals that line walls and sides of buildings. Painted in bright, bold colors, they are both works of art and propaganda devices, depicting the struggle and triumph of the Sandinistas' battle against Somoza.

Managua is in this condition for several reasons. One is that Somoza pocketed most of the money the United States provided to rebuild the city. Another is that the Sandinistas are diverting much of the national budget to defense. Sandinista officials say this is necessary because of the war with the contras.

The city also reflects the country's troubled economic situation. The Sandinistas say this results from the contras' strategy of trying to cause economic hardship by attacking farms, cooperatives and factories. Reagan administration officials say the problems result principally from the Sandinistas' economic policies and poor management. Whatever the reasons, rice, beans, meat and many medicines are in short supply. Some supermarket shelves are empty.

Food shortages are sometimes evident even at the Hotel Inter-Continental, one

of the city's best. The Inter-Con, as it's known, was built by Somoza and is now controlled by the Sandinistas.

It is the center of considerable intrigue. With the air of Rick's bar in Casablanca, the Inter-Con is often packed with journalists, mercenaries, members of U.S. religious organizations, documentary filmmakers and Americans on fact-finding tours.

The closed opposition newspaper *La Prensa* is about a 20-minute taxi ride from the Inter-Continental.

The outside of the newspaper's offices is papered with stories that government censors deleted from the newspaper. *La Prensa* staffers refer to it as "the wall of censorship." Inside, the mood is somber. The newsroom is dark, and reporters pass the time playing chess.

None of this has daunted the newspaper's editor, Violeta Barrios de Chamorro. A striking, silver-haired woman, Chamorro took over the newspaper after her husband was shot dead eight years ago, and continued his campaign against Somoza until the dictator was overthrown in July 1979.

When the Sandinistas took power, she was a member of the ruling junta, but she resigned when she felt its policies were swinging too far to the left. Feelings about the Sandinistas split the family. One of Violeta's sons is a Sandinista official. A daughter is Nicaragua's ambassador to Costa Rica. It is her son, Pedro Joaquin Chamorro, who produces *Nicaragua Hoy* for the contras in San Jose. Another daughter works for *La Prensa*.

Violeta Chamorro gives the Sandinistas no quarter. She calls them "Marxist-Leninist thugs" who have turned Nicaragua into a "concentration camp." She angrily denies Sandinista President Daniel Ortega's charges that *La Prensa* was being funded by the Reagan administration to help the CIA build support for the contras' efforts to overthrow the Nicaraguan government.

However, the *La Prensa* situation is more complex than this. Some former CIA personnel and congressional staff believe the newspaper has indeed gotten agency money; others say they are not sure. But all agree that aside from this debate, two factors in the situation illustrate the larger point that the CIA's history of propaganda campaigns has in itself compromised genuine voices of dissent in the media.

One of the factors is that Violeta Chamorro's son is a public relations spokesperson for the FDN and produces a weekly news supplement reportedly funded by the CIA. This situation makes Violeta Chamorro uncomfortable, and she bristles slightly at questions about it. "We don't have any connection with Pedro Joaquin's

publication," she said. "We don't have anything to do with that."

The other complicating factor is that *La Prensa* indirectly received U.S. government funding in 1985 and 1986. Last year, the newspaper was awarded a \$100,000 grant from the National Endowment for Democracy, a private U.S. group that receives money from Congress each year to promote democratic principles and projects abroad. The endowment assigned the grant to PRODEMCA, another private U.S. organization, which arranged for the newspaper's longtime supplier in Miami to buy ink, equipment, supplies and wire service contracts for *La Prensa*.

In 1986 the endowment approved another \$100,000 for *La Prensa*. The first \$50,000 was assigned to PRODEMCA, which arranged purchases of equipment and supplies. Last March, shortly before a House vote on contra aid, PRODEMCA took out full-page ads in major U.S. newspapers, calling on representatives to support the measure. PRODEMCA also worked with other private groups to coordinate speaking engagements by contra leaders in the United States. When U.S. news media carried stories about these activities, the endowment selected another organization to administer the \$50,000 remaining in the original 1986 grant. Endowment officials also decided to supplement that sum with an additional \$53,000.

None of that \$103,000 went to *La Prensa*, however, because the paper was closed before the funds could be spent. But "the endowment is holding the funds for the newspaper pending clarification of the situation," an endowment spokesperson said.

Violeta Chamorro said she knew nothing about the connections between PRODEMCA and contra supporters. She also said no one from the endowment, PRODEMCA or the Reagan administration had tried to control the editorial policy of her newspaper.

The *La Prensa* situation points up a major problem with the agency's media manipulation campaigns, former CIA officials and other critics say. The agency's history of paying editors and reporters to create or slant news still haunts Latin America. Because it is so difficult to track covert CIA support for print and broadcast media, governments are quick to label any opposition voice "a tool of the CIA," and to use this as a rationale for placing restrictions on all media, agency critics say.

"What the CIA's media campaigns have done is undermine the democratic principles and institutions the agency claims it is trying to protect in Central America," says former CIA official John

Continued



Stockwell, who worked in Vietnam and Africa during his 12 years with the agency.

He and other former agency personnel interviewed for this story say the public relations program Edgar Chamorro describes is very similar to PR campaigns the agency ran in the 1970s in Southeast Asia, Africa and South America.

Ralph McGehee, a 25-year veteran of the agency whose jobs included representative to the CIA's International Communism Branch in the Directorate for Operations, says agency personnel refer to the mechanism that runs these campaigns as the "mighty Wurlitzer" because it is an "organ on which the CIA could play any propaganda anywhere in the world at any time."

One person who played the mighty Wurlitzer is Stockwell, who supervised a media campaign when he was chief of the CIA Angola Task Force in the mid-1970s. Stockwell—who resigned from the agency in 1977 and has spent several years studying the CIA's role in Central America—said in a recent interview that "if you changed the names of the countries you couldn't tell the difference" between the campaign Chamorro describes and the one he ran in Africa. "Even some of the issues and the rhetoric are the same," he said.

In 1975 and 1976, Stockwell worked with more than a dozen propaganda experts to persuade Congress and the American people that the United States should support Angolan rebel groups known as UNITA and the FNLA to keep the country from becoming a "Soviet beachhead." Another aspect of Stockwell's job was to hide the fact that the U.S. government was giving military aid and training to the rebels, despite repeated statements by administration officials to Congress and the U.S. news media that America was not directly involved. "Basically, we lied a lot," Stockwell said.

In a recent interview in New York City, he stated that the Angolan campaign included having rebel leaders lobby Members of Congress; drafting false statements read by State Department and other officials regarding U.S. military involvement in the conflict; and paying journalists to plant false and misleading stories in newspapers, magazines and broadcast media.

One such story involved a report that Cuban soldiers had raped a number of Angolan schoolgirls. It was picked up by the media in Angola and ran in major U.S. newspapers. Later, another report from the field said that the Cuban troops responsible for the assaults had been captured, tried by a local tribunal and executed by a firing squad made up of the girls they had raped. This also got major U.S. media play.



There was only one problem with these stories: They were total fabrications.

"There was no commitment whatsoever to the truth in a program like this," Stockwell said. "Your commitment is . . . to win the propaganda war, to win the minds of the American people and the people in the Western world."

When stories created or distorted by the agency and placed in news media abroad are picked up by stringers and reporters for U.S. media and reported here as fact, the result is known as "blowback."

Such information also filters to the United States through the Foreign Broadcast Information Service (FBIS), a compendium of foreign newspaper and broadcast reports that is produced by the CIA. Many congressional staffers and State Department and Pentagon correspondents use FBIS as a reference, but they have no way of knowing which stories are genuine and which stories are CIA fabrications.

The agency itself often doesn't know, according to former CIA officers. The CIA's own disinformation is often picked up and filed as genuine intelligence, further distorting the information and analysis that legislators and government officials use as the foundation for U.S. policy.

"There was no mechanism that prevented that disinformation from contaminating and spoiling the CIA's own information files," said McGehee, who monitored newspapers, magazines and cables while working with the CIA's Directorate for Operations. "Many articles that I kept and filed, that served as background for studies I wrote, later turned out to be CIA propaganda."

McGehee, other former CIA officers and congressional staff said they believe the CIA deliberately uses blowback to influence public opinion about its own co-

*"Silenced but not subjugated" says the sign at La Prensa, the Nicaraguan newspaper shut down by the Sandinista government the day after the U.S. House of Representatives approved the contra aid package in June. Editor Violeta Chamorro (inset left) denies charges that La Prensa is helping the CIA.*



*The National Palace on Managua's main plaza, now occupied by the Sandinista government.*

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*A blend of art and propaganda, murals extolling the Sandinista revolution adorn many walls in Managua.*

vert actions or to reinforce administration policy.

Instead of simply "gathering genuine intelligence that could serve as the basis for reasonable policies, the CIA often ends up distorting reality, creating out of whole cloth 'intelligence' to justify policies that have already been decided upon," McGehee wrote in his book *Deadly Deceits—My 25 Years in the CIA*.

"What this means is that the 'Ministry of Truth'—the propaganda ministry in George Orwell's 1984—has become a reality," he said in a recent interview at his home in Herndon, Va.

CIA spokesperson Kathy Pherson said the CIA's function is to gather intelligence, not to influence opinion or policy, and that the agency abides by congressional restrictions on its role.

McGehee, who plans another book about the agency, said the controversy over the contras' goals is an excellent example of how disinformation can affect public policy. For example, Edgar Chamorro stated that when Congress developed misgivings about the contras' goals, the agency told the rebels to lie and to say their objective was not to overthrow the Sandinistas, but to interdict arms being smuggled from Nicaragua to leftist El Salvadoran rebels. State Department and Pentagon documents repeated the same statements. As late as April 1984, CIA Director Casey told *U.S. News & World Report* in a copyrighted interview that the contras "certainly have had an impact" on the flow of supplies from Nicaragua to the leftist rebels, "though it's hard to quantify."

Chamorro stated in his World Court deposition that "It was never our objective to stop the supposed flow of arms, of which we never saw any evidence in the first place. . . . Our goal, and that of the CIA as well (as we were repeatedly assured in private), was to overthrow the government of Nicaragua."

Chamorro's statements about an arms flow to El Salvador are reinforced by David MacMichael, a former estimates officer with the CIA's National Intelligence Council who dealt with Central American affairs. MacMichael left the agency in 1983. He testified before the World Court that he could find no substantial evidence of Nicaraguan complicity in arms shipments to leftist El Salvadoran rebels except for a brief period at the end of 1980 and very early in 1981.

"The administration and the CIA have systematically misrepresented Nicaraguan involvement in the supply of arms to the Salvadoran guerrillas to justify its efforts to overthrow the Nicaraguan government," said MacMichael, who now works as a senior research fellow for the Council on Hemispheric Affairs, a policy institute in Washington, D.C.

Some former CIA personnel and congressional staff said they believe a great deal of pressure to politicize intelligence has come directly from Casey, who ran Reagan's 1980 election campaign. They said such actions distort the CIA's primary mission: The gathering and analysis of objective data for policy makers.

MacMichael is only one of several agency personnel who have resigned in recent years because they believed the CIA was distorting information. Another is John Horton, former national intelligence officer for Latin America and a highly respected analyst.

Horton wrote in an op-ed piece in *The Washington Post* after he resigned in 1984 that he left "because of the pressure put on me by the director of Central Intelligence to come up with a National Intelligence

Estimate on Mexico that would satisfy him."

A National Intelligence Estimate (NIE) is a major document policy makers rely on when making economic and national security policy.

"Attempts to squelch displeasing intelligence reports or judgments that don't back up an administration's policies" have been a recurring problem, Horton wrote. "William Casey, the current director, most differs from previous directors of Central Intelligence in that he is a part of the policy-making group where Central America is involved as much as he is the president's chief intelligence officer."

The op-ed piece drew a strong response from Casey, who replied, "Improving the estimating process was my primary concern when I assumed office in 1981. . . . There were disagreements between the drafting analyst and Mr. Horton over deletions made by the latter."

Members of Congress have also criticized the agency for the increasingly political content of its analyses. A 1982 staff report by the Subcommittee on Oversight and Evaluation of the House Select Committee on Intelligence stated, "The concern underlying this report is not simply that an occasional inaccuracy or oversimplification appears in intelligence. . . . They may signal that the environment in which analytic thought and production decisions occur is under pressure to reinforce policy."

Harry Rositzke, who retired in 1970 after 25 years with the agency, said in a recent interview he is concerned about "whether or not the president really gets a realistic assessment of what the contra capabilities are. . . . Casey would be inclined to encourage him [the president] on a gambit that he's been working on for four years. So it's sort of like the Vietnam war."

Other former CIA personnel also drew parallels between Central America and Vietnam.

Ralph McGehee, the former representative in the agency's International Communism Branch who worked in Southeast Asia, said the CIA's media operations against the Sandinistas are similar to techniques used in Vietnam, which he describes as "the agency's greatest and longest disinformation campaign."

Underlying the concerns of former agency personnel and other administration critics is the feeling that Congress will be unable to stop the drift toward war. They believe that the House and Senate simply cannot adequately oversee the activities of the agency.

"Congress has neither the will nor the means to control the CIA," former CIA officer Stockwell said.

Some Members of Congress also have

doubts about the oversight process. "The intelligence oversight committees of the Congress review covert actions, but they have very restricted power, which does not match the kind of full congressional review and legislative power that is essential for developing a credible policy over the long run," said Sen. Patrick Leahy (D-Vt.), vice chairman of the Senate Select Committee on Intelligence.

The House and Senate oversight committees were set up a decade ago in the wake of congressional reports about intelligence community abuses at home and abroad. The committees authorize the CIA budget and oversee all agency operations.

By law, the president can initiate a covert operation abroad. He is required only to make a determination (a "finding") that such an operation would be in the national interest, and to notify the House and Senate intelligence committees of the finding.

The committees review the finding in secret, and send their recommendations to the president. The committees approve most covert plans, but do not have legal authority to stop a covert operation they disagree with. The committees' only recourse is to urge the president to reconsider the project.

Congress can only block a covert operation by specifically restricting funds for that operation.

Members of the intelligence committees say that another problem with oversight is that CIA briefings are vague, misleading or after the fact.

For example, the agency did not brief the House Intelligence Committee on the contra operation until December 1981—four months after Chamorro says the group was formally organized and began receiving funds, training and weapons from the agency.

Intelligence committee members complained bitterly that the CIA had not adequately informed them of plans to mine Nicaragua's harbors in January 1984. Sen. Barry Goldwater (R-Ariz.), who was chairman of the Senate Intelligence Committee at the time, characterized the mining as "an act of war."

Agency personnel said information about the operation was listed in a report it gave the committees.

Nevertheless, in April 1984 the House and Senate passed non-binding resolutions opposing the use of U.S. funds for mining Nicaraguan waters.

In addition, Sen. Daniel Patrick Moynihan (D-N.Y.) resigned as vice chairman of the Senate Intelligence Committee to protest the CIA's handling of consultations with Congress regarding the mining. He withdrew his resignation after Casey apologized to the committee and agreed to

give prior notice of any significant anticipated intelligence activity.

However, some committee members and congressional staff say the agency has not lived up to the spirit of the agreement.

"People mistakenly believe the committees are fully informed," said one congressional staffer familiar with intelligence issues. "The agency gives a perfunctory briefing when they know we're going to read about it in the papers the next day, so their asses are covered."

Members' frustrations surfaced in a May 1983 report by the House Intelligence Committee, which recommended that Congress prohibit additional funding for military or paramilitary operations in Nicaragua. Committee members made it clear that they thought the CIA was not being truthful when it said the only goal of the contras was to interdict arms allegedly being shipped from Nicaragua to leftist El Salvadoran rebels.

House committee members also indicated they believed that the agency had circumvented restrictions Congress had placed on CIA funding for the contras. The report stated that congressional measures "which sought to limit insurgent activity to arms interdiction . . . [and] prohibited assistance for the purpose of overthrowing the government of Nicaragua" had "proved ineffective as moderate curbs on insurgent activity or U.S. policy."

However, the report stated the principal reason it wanted Congress to cut funding for the contra program was that Members believed it was a failure and "counterproductive" to long-term U.S. interests in Central America.

Despite this report and indications that—as Edgar Chamorro later said—the agency had consistently lied to Congress about the goal of the contras and the ways in which U.S. funds were spent, the committee's effort to halt the program ultimately failed.

Another indication of Congress' difficulties in overseeing CIA operations can be seen in the way allegations that the agency was illegally lobbying Congress were handled.

According to Edgar Chamorro, these activities continued for years before Sen. William Proxmire (D-Wisc.), who is not a member of the Senate Intelligence Committee, asked the GAO to look into the allegations.

However, "The CIA would not meet with us to discuss the lobbying activities alleged by Mr. Chamorro," GAO investigators said in their December 1985 report. "They stated that they had briefed the Senate Select Committee on Intelligence about Mr. Chamorro's statements. . . . The committee staff director stated that because of the nature of the information

*"The truth had nothing to do with our decisions to run these operations," says former CIA official John Stockwell.*

provided by the CIA, they would not brief us, but would be willing to brief [Proxmire at his] request."

The Senate Intelligence Committee said any briefing would have to be classified, according to a Proxmire aide. Proxmire declined the briefing, because he would not have been able to use the information in hearings, debates or speeches, the aide continued.

The GAO incident illustrates two problems with the oversight process.

One is that even though the GAO is the investigative arm of Congress, it cannot look into many types of controversies involving the agency. By law, the president can limit the GAO's access to financial transactions related to foreign intelligence or counterintelligence activities. In addition, the GAO has no authority to audit the CIA's confidential, extraordinary or emergency expenditures.

The second problem is that the agency is supposed to brief the intelligence committees, but the briefings themselves involve classified material that committee members then cannot discuss publicly.

When the intelligence committees do try to openly examine CIA policy, they are excoriated by administration officials, who accuse them of compromising the U.S. intelligence system and the nation's security.

When Sen. David Durenberger (R-Minn.), chairman of the Senate Intelligence Committee, criticized some aspects of Casey's policies last November, the CIA director wrote a letter accusing him of "the repeated compromise of sensitive intelligence sources and methods."

Former CIA personnel pointed out why this type of response may intimidate committee members.

"You have to get reelected," Stockwell said. "You have to deal every day with pressure from the public, and one little leak about your past, your background, your positions, your allies, your whatnot, and you know, you're sweating blood."

Some Members of Congress believe

*Continued*

Reagan, Casey and national security advisers want to change the oversight process because they believe the committees are obstructing administration policies and covert operations such as the contra program.

CIA spokesperson Kathy Pherson said, "The CIA works closely with its congressional oversight committees and will answer any questions they might have about CIA activities. This is a democracy. We respond to both the president and to oversight committees."

The oversight battle heated up in July, when the administration announced that it wanted the CIA to take over supervision of the contra war.

Many Members of Congress were incensed. Sen. Alan Cranston (D-Calif.) said the plan would remove agency activities even further from congressional control and could lead the country into another war.

Nicaragua, he said, "could be a rerun of Vietnam. First American money, then American advisers, then American control of the war, then American troops."

Cranston wants the Foreign Relations Committee to investigate the administration's support for the contras and the CIA's role, but previous efforts to get a full-scale congressional investigation of CIA and contra activities—including allegations the rebels were involved in gun-running, drug trafficking and assassination plots—have failed.

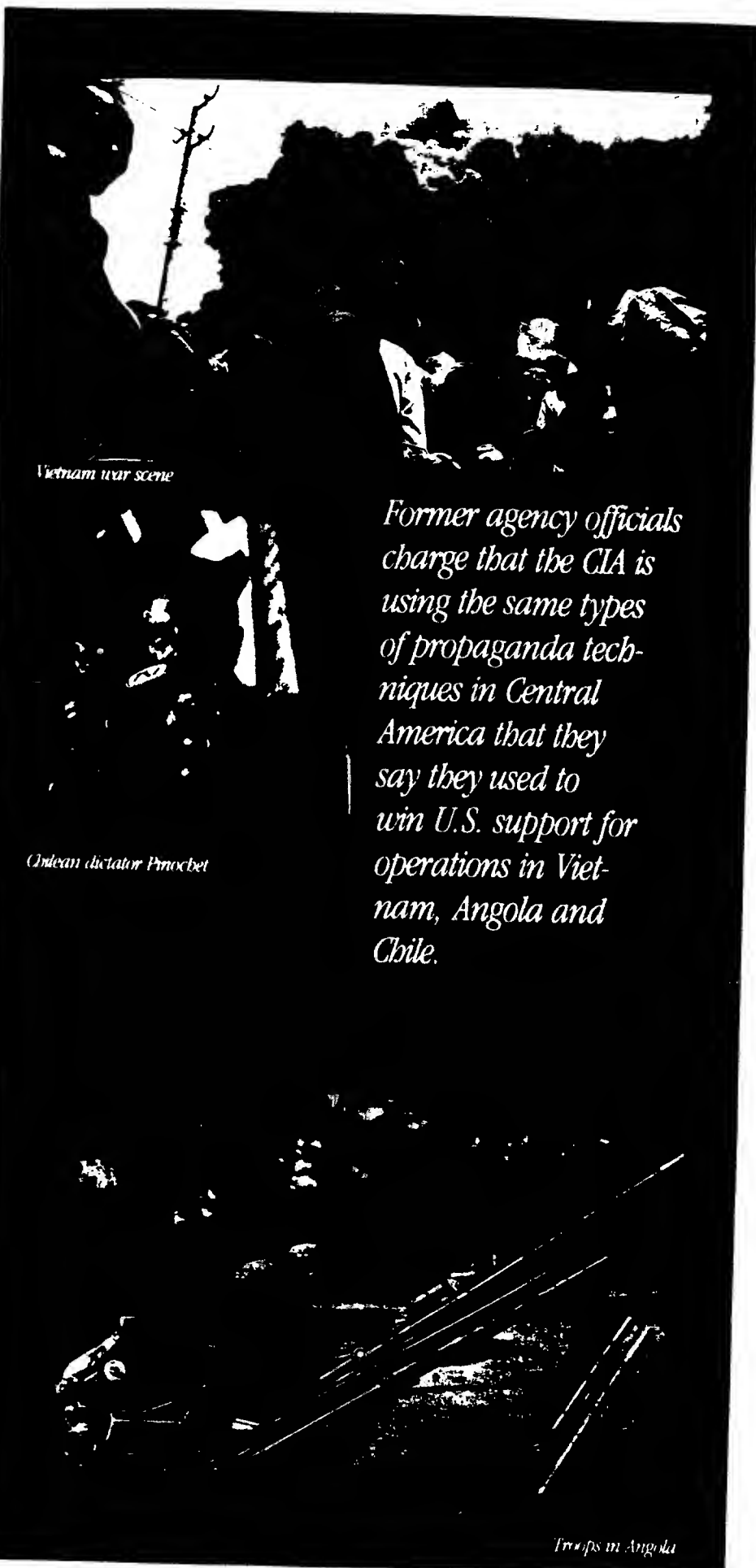
"A lot of people in Congress don't want a full investigation of the contras and the CIA," said one congressional staffer. "It would be like opening Pandora's box; they're afraid all kinds of things would slither out."

Although there seems to be widespread agreement on all sides that the congressional oversight process is flawed, there is little agreement on what should be done about it. Suggestions range from combining the House and Senate intelligence committees into one joint committee with expanded powers to restricting the CIA to intelligence-gathering and creating a new agency to handle covert operations.

But many agency critics believe that no reforms will occur until the public demands them and is willing to hold the president responsible for the agency he directly controls.

"Establishing a truly effective intelligence agency is no problem," noted former CIA official McGehee. "The only problem is getting our leaders to want one."

Kathleen McHugh and John Day contributed to this article. Gary Hovatter, E.B. Boyd and Peter Schlossman provided research assistance.



*Vietnam war scene*

*Chilean dictator Pinochet*

*Former agency officials charge that the CIA is using the same types of propaganda techniques in Central America that they say they used to win U.S. support for operations in Vietnam, Angola and Chile.*

*Troops in Angola*